



# Buzzwords ...

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MR N WALLINGFORD  
55 WATLING STREET  
TAURANGA

WALLING 21

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..... the newsletter for National Beekeepers' Association members

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**Buzzwords No 45 September 1992**

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From VEGETARIAN TIMES, December 1981



*"All in all, you're in excellent health, although I think I'd lay off the bee pollen for a while."*



## FROM THE PRESIDENT

As was arranged at the time of conference our executive officer Ted Roberts and I travelled to Taumaranui and met with members of the Manawatu Wanganui Regional Council and local pest destruction officers. This has turned out to be a very worthwhile exercise. Farmers have a serious problem in the threat to their exports caused by T.B. Likewise five beekeepers with a total of about 6,000 hives were having their livelihoods threatened. John Bassett, the local beekeeper spokesman was present at the meeting. It was a case of reaching a compromise.

The outcome was very satisfactory to all concerned. The pest destruction officers are to use phosphorous baits until such time as testing of oxalic acid in jam baits has been completed. This means they are able to carry on with their planned programme of possum eradication. Beekeepers

will be able to carry on without the need to shift out of the area.

The battle over the import of heat-treated Australian honey is intensifying. Branches and individuals have reacted well followed by action from your executive.

I have just received a letter from David Kay advising that the Honey Industry Trustees have agreed to a grant of \$20,000 for the clinical testing of manuka honey. They have asked of the Department of Obstetrics and Gynaecology, Auckland University, that the methodology and personnel involved will ensure that the results of the trial will be acceptable to the medical profession and the Health Department. A big thank you to our trustees and we all hope the end result will be positive.

## QUOTES FROM "CHAIRMAN" FLOYD

Here's a sampling of the wit and wisdom of marketing man Bill Floyd, from the talks he gave at this year's Hastings conference. We couldn't include them with the item on the NBA Marketing Programme in last month's *Buzzwords* due to space limitations:

"House brands are taking over the New Zealand retail honey market. Overall, house brands of honey have increased from 25% to 39.6% of the market in the last three years. In the South Island the figure is 53.5%!"

"We haven't had a lot of market research on honey in New Zealand, but all the studies which have been done show clearly that price is not the main factor in why people buy honey."

"Small industries like honey need to hunt as a pack. Once the prey is on the ground, then you can fight between yourselves for the tender bits."

"The Commerce Commission will not let you abuse your dominant position in the market place. That sounds like something out of the Kamasutra."

"It is often said that 50% of money spent on advertising is wasted. Professionals don't come anywhere near that figure, but amateurs waste more like 70%."

"'Make it and hope' doesn't work."

"In marketing, if you're not going to go all the way, don't start."

"The more benefits you add to your core product, the more you differentiate that product."

"If we market honey correctly, consumers will soon be seeking it out in products the way they now do for oat bran."

"The honey industry needs to market like a commando group, not a large battalion. Use your competitors' environment and live off the land."

"The innate goodness of honey is our number one competitive advantage."

## BOOKS, BOOKS, BOOKS

*Practical Beekeeping in New Zealand*, this country's most well-known beekeeping book, will once again be available, beginning this September. The book, written by International Bee Research Association director Andrew Matheson, has been completely revised and updated. Even the front cover will be new!

The first edition of *Practical Beekeeping in New Zealand* was extremely popular, both with hobbyist beekeepers and the general public, and provided an informative introduction to the unique features of beekeeping in this country. The revised edition will make a welcome return for this important industry resource which has unfortunately been out of print

for the last several years. The new edition, published by GP Publications, will retail at \$29.95.

Cliff Van Eaton and Peter Brunt, New Zealand's representatives for the International Bee Research Association, are having a big sale of books from their IBRA book shelves. The IBRA is the world's leading source of beekeeping information, and one of the important things the IBRA does is to provide a mail order book service for members. Their current catalogue lists over 250 different books and 120 reprints on all aspects of bees and beekeeping.

As a help to New Zealand beekeepers, Cliff and Peter keep a selected number of titles so that they can fill orders quickly, and they have been given permission to offer discounts of 20-60% on these stocks for a limited time only. Bargains include the classic *Honey: A comprehensive Survey*, by Eva Crane, at \$44.20 (25% off); *Anatomy and Dissection of the Honey Bee*, by Dade, at \$36.80 (25% off); and *Honey Bee Pests, Predators and Diseases*, edition 1, by Morse at \$26.20 (50% off). Great prices, but stocks are limited.

For a list of titles and prices contact either Cliff, c/- MAF, Private Bag, Tauranga, or Peter, c/- Nelson Polytechnic, Private Bag, Nelson. And in case you're wondering, the sale is definitely non-profit. All proceeds go directly to the IBRA (after all, they own the books!).

Mention was made at this year's conference of an inexpensive booklet which has colour pictures and descriptions of exotic and endemic bee diseases. The booklet is called *Honey Bee Diseases and Pests*, and is published by the Canadian Association of Professional Apiculturists (CAPA). The booklet is very comprehensive, and has good pictures of EFB, Varroa, and the tracheal mite, as well as most of the more common (and uncommon) bee diseases. As for pests, New Zealand readers will no doubt enjoy the sections on bears and skunks (and thought we had problems!). For a copy of the publication, send \$5.00, together with a stamped, self-addressed A4 size envelope to:

Bee Diseases and Pests Booklet  
Ministry of Agriculture and Fisheries  
Private Bag  
TAURANGA

## MINISTER PROMISES 1080 REPELLENT

Readers are by now well aware of the long-running battle our industry is currently having over the inclusion of oxalic acid in 1080 jam possum baits. Research conducted by Mark Goodwin at Ruakura showed that oxalic acid acted as a bee repellent in possum baits, but so far the Animal Health Board has not approved its use in the many possum poisoning programmes being conducted around the country. Executive member Nick Wallingford has been lobbying government on behalf of the industry, and he



recently received, through MP Robert Anderson, a very interesting letter from Denis Marshall, Associate Minister of Agriculture. According to Marshall, "Trials will be initiated this spring and will probably continue into the summer period. By autumn 1993, answers should be found to the problem of possum bait acceptance and by winter next year jam products containing the bee repellent should be available for use."

The minister protects himself somewhat with all those "should's", but your executive will definitely be reminding him of his statement that the bee repellent should be available for use next winter, when the possum poisoning programmes are announced in 1993.

## FROM THE BRANCHES

The **Marlborough** branch has already scheduled meetings for their spring diseaseathon. They are: Briefing Meeting - Monday, September 14, beginning at 7.30 pm, at MAF Blenheim; Inspection Day - Saturday, September 19. Contact Murray Bush (03-578-3923) or James Jenkins (03-578-9325) by September 1. Good support is essential if the branch is to meet the nation-wide percentage inspection target of 5.8% of local district apiaries.

The **Poverty Bay** branch also has a diseaseathon scheduled for Saturday, September 12. The branch plans to use part of the diseaseathon to collect adult bee samples which it hopes to plate out the next day (Sunday, September 13). The branch hopes it will then be able to more effectively target both MAF and members' inspections during the rest of the Spring. For information contact Barry Foster - phone 06-867-4591, evenings.

**Hawkes Bay** branch has a Branch Apiary Field Day planned for 10 am at Chesterhope Reserve on September 5. They also have a branch meeting on Monday September 14, with the programme to be arranged.

## KASHMIR APOLOGY

In *Buzzwords* 39 we reported on an article by Dr. T.P. Liu from Canada on Kashmir bee virus and a rebuttal in the *American Bee Journal* by Dr. Denis Anderson, former research scientist with our DSIR. Dr. Anderson refuted claims made by Dr. Liu that Kashmir bee virus was a virulent pathogen of honey bees and that the "disease" was only found in New Zealand and Australia.

Now it seems the whole thing was a mistake. The winter 1992 edition of *Canadian Beekeeping* contains reference to a phone call received by the editor from Dr. Liu claiming that his original article was taken from published material and was directed at "academically informing" beekeepers about the virus, and in particular three mutant strains. He says that for sometime Canada has been importing queens from New Zealand and Australia and so the whole discussion on the pathogenic nature of the virus is "academic". He also urged that the editor publish Dr. Anderson's article as a "counter view" on the nature of Kashmir bee virus.

Well, we suppose this is an apology. However, it's a shame Dr. Liu didn't also point out to the editor the number of

factual errors made in the article (academic or not) and maybe also make an apology to queen and package producers in both New Zealand and Australia for creating doubt in the minds of their Canadian clients. He also doesn't explain how this information "taken from published material" ended up in every important beekeeping journal in North America last year.

## HAWAII MISSES OUT

We mentioned in *Buzzwords* 32 the possibility of the Canadians allowing in queens from Hawaii this year and the concerns some beekeepers in Canada were expressing regarding the state's lack of an inspection and registration programme.

Well, no queens were approved for export during this shipping year (March-June, 1992) and it looks like it may be difficult for the Hawaiians to meet even the newly changed protocols negotiated with the Canadian federal government. The stumbling block to getting approval by the Canadians seems to be the lack of state funds in Hawaii which would allow them to conduct required apiary testing. The head of the Canadian federal quarantine service, Dr. William McElheran, changed the protocol requiring the Hawaiians to test their hives for mites from 50% of all colonies in supply apiaries to 20%, but that still doesn't seem to be enough. As the winter edition of *Canadian Beekeeping* points out, "one has to realize that Hawaii has no bees act and limited manpower and funds to implement regulations for what is a small industry."

## MARKETING, PRICES, AND SUBSIDIES

From time to time in *Buzzwords* we make mention of the US federal government's honey subsidy programme. Readers here in New Zealand no doubt wonder why we go to the effort. After all, what can policies half way around the world have to do with our own beekeeping industry?

The answer is quite a bit, as evidenced by the softening of New Zealand honey prices in the late 80's. That softening related directly to a major downturn in world honey prices, brought on by the "eruption" of the U.S. government's "honey mountain" which dumped the equivalent of one year's U.S. production on the world market at an artificially low price.

In hindsight, we can at least be grateful that we were on the other side of the world with an industry which wasn't greatly dependent on exports. In Canada, where one third of total production was normally sold to the U.S., the "eruption" caused severe problems. Canadian honey prices dropped out of sight, with some beekeepers not able to sell their honey at any price. Many commercial beekeepers went to the wall, and there are now one third less beekeepers in Canada than there were 5 years ago.

So how did the U.S. situation come about? Back in the 70's, the U.S. government, with the best of intentions, decided to do something about the "boom and bust" nature of yearly honey prices. In the U.S., as elsewhere, beekeepers found





## HONEY INDUSTRY TRUST FUND

Applications for funding close on 15 August and 15 February. Forms available from the NBA, PO Box 4048, Wellington.

it impossible to get a good price for their honey because the year's total production entered the market all at the same time. U.S. packers took advantage of this situation and invariably played one beekeeper off against another, driving the wholesale price of honey down.

The U.S. government put in place a loan programme, under the Commodity Credit Corporation, to help the beekeepers out. The idea was that the government would take the honey on loan, paying the beekeeper a set price, and allow the beekeeper to buy the honey back once demand increased later in the year.

The theory was fine, but unfortunately the pricing mechanism for loans was based on a "parity price" set in the 70's, just after the world price of honey went through the roof. Adjusted yearly for inflation, that price became so high that U.S. packers eventually found that they could buy overseas honey at a much lower price. U.S. producers didn't buy back the honey they had loaned to government and the honey mountain was thus created.

This situation carried on through the early 80's, but it finally became obvious that something had to give. Beekeepers were actually being paid a further fee to hold the honey in their sheds, and the government could only find an outlet, through their "food to the poor" programmes, for a small amount of what was building up.

So in the infinite wisdom of the U.S. bureaucracy, it was decided to allow beekeepers to "buy back" their honey at a price lower than the one paid for the original loan. The idea was that this would encourage packers to buy from the domestic producer (at a lower rate), while the producer still received an artificially high price. The U.S. government would be able to clear its backlog of honey, and everybody (at least in the U.S.) would be happy.

To their credit, the U.S. industry decided at the same time to set up a national honey promotion programme, called the National Honey Board, to stimulate increased honey consumption in the U.S. The programme is funded by a levy of just over 4 cents (NZ) on every kg of honey (domestic and imported) sold in the U.S.

The National Honey Board has been extremely successful. By concentrating on new market areas for honey such as the food ingredient and food service industries, the board has been responsible for a 10% increase in U.S. honey consumption at a time when traditional table spread sales have remained more or less static.

But as you can imagine, with any mandatory levy, the Honey Board certainly has its detractors, especially since in the last six months prices paid by packers have softened somewhat. There have been calls in American beekeeping journals for a re-structuring of the Board, including the removal of all non-beekeeper members from its board of directors.

Finally, in the May edition of *The Speedy Bee*, a major honey packer and past member of the board, Dwight Stoller, answered these critics. In so doing, he became one of the few leading U.S. beekeepers to call the loan/buy back programmes what it really is - a government subsidy. He also let beekeepers in on the big change which was being obscured by the convoluted way the programmes are being run.

According to Mr. Stoller, the only aspect of the U.S. honey price which has taken a major tumble in the last 3 years is the subsidy (difference between loan and buy back price) itself. In that time the subsidy has been reduced by 81% (from NZ\$0.90 to \$0.17/kg). Net income to the producer may have decreased by 9% during the same period, but prices paid by packers actually rose by 29%. The increase in honey consumption has actually led to an increase of over 42% in real income. It's just that the National Honey Board has been so successful that it has allowed the U.S. government to substantially get itself out of the honey subsidy business.

Mr. Stoller doesn't see anything wrong with this, and in fact in the article he makes some comments about agricultural subsidies and government indebtedness that would make even Ruth Richardson proud. He reckons the U.S., with its US\$3.5 trillion debt, is actually behind such countries as Brazil, Argentina, and Mexico, in solving its debt crisis, and says it is about time the U.S. stopped blaming others for its financial problems. Not paying their way eventually catches up with all industries and governments, and according to Mr. Stoller, beekeepers in the States need to realize that they won't be guaranteed a government subsidy forever. As he says, "we've made remarkable progress toward reaching a point of survival without it."

Courageous words from Dwight Stoller. We just wonder whether the rest of the beekeepers (and politicians, for that matter) in the U.S. agree.



## BUZZWORDS IS ...

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